

(c) If the alternative indemnification provision in paragraph (a) or (b) of this section is chosen by the borrower, the language of paragraph (a) or (b) of this

section would be inserted in lieu of subsection (i) of the section indicated in the RUS standard construction contract forms as follows:

RUS form No.	Title	Designated section
200	Construction Contract—Generating	Article IV, Section 1(c).
201	Right-of-Way Clearing Contract	Article IV, Section 1(e).
203	Transmission System Right-of-Way Clearing Contract	Article IV, Section 1(f).
257	Contract to Construct Buildings	Article IV, Section 1(b).
764	Substation and Switching Station Erection Contract	Article IV, Section 1(f).
786	Electric System Communications and Control Equipment Line	Article IV, Section 1(c).
790	Distribution Line Extension Construction Contract (labor & materials).	Article IV, Section 1(f).
792	Distribution Line Extension Construction Contract (labor only)	Article IV, Section 1(f).
830	Electric System Construction Contract (labor & material)	Article IV, Section 1(f).
831	Electric Transmission Construction Contract (labor & material) ...	Article IV, Section 1(f).

(d) In RUS Forms 201, 790, and 792, the word “Contractor” would replace the word “Bidder” in the alternative indemnification clause in paragraph (a) or (b) of this section.

(e) In RUS Form 786, the word “Seller” would replace the word “Bidder” and the word “Purchaser” would replace the word “Owner” in the alternative indemnification clause in paragraph (a) or (b) of this section.

borrowers may but are not required to use in the construction of their electric systems. Borrowers are not required to use these guidance contract forms in the absence of an agreement to do so.

[63 FR 58286, Oct. 30, 1998]

§ 1726.301 Borrower contractual obligations.

(a) *Loan agreement.* As a condition of a loan or loan guarantee under the Rural Electrification Act, borrowers are normally required to enter into RUS loan agreements pursuant to which the borrower agrees to use RUS standard forms of contracts for construction, procurement, engineering services and architectural services financed in whole or in part by the RUS loan. Normally, this obligation is contained in section 5.16 of the loan contract. To comply with the provisions of the loan agreements as implemented by this part, borrowers must use those forms of contract (hereinafter sometimes called “listed contract forms”) identified in the List of Required Contract Forms, § 1724.304(c).

(b) *Compliance.* If a borrower is required by this part or by the loan agreement to use a listed contract form, the borrower shall use the listed contracts in the format available from RUS or GPO. The forms shall not be retyped, changed, modified, or altered in any manner not specifically authorized in this part or approved by RUS in writing. Any modifications approved by RUS must be clearly shown so as to indicate the difference from the listed contract form. Electronic reproduction

§§ 1726.256–1726.299 [Reserved]

Subpart I—RUS Standard Forms

§ 1726.300 Standard forms of contracts for borrowers.

(a) *General.* The standard loan agreement between RUS and its borrowers provides that, in accordance with applicable RUS regulations in this chapter, the borrower shall use standard forms of contract promulgated by RUS for construction, procurement, engineering services, and architectural services financed by a loan made or guaranteed by RUS. (See section 5.16 of appendix A to subpart C of part 1718 of this chapter.) This subpart prescribes RUS procedures in promulgating standard contract forms and identifies those forms that borrowers are required to use.

(b) *Contract forms.* RUS promulgates standard contract forms, identified in the List of Required Contract Forms, § 1726.304(c), that borrowers are required to use in accordance with the provisions of this part. In addition, RUS promulgates standard contract forms contained in § 1726.304(d) that the